



State of Utah

Department of
Environmental Quality

Richard W. Sprott
Executive Director

DIVISION OF DRINKING WATER
Kenneth H. Bousfield, P.E.
Director

Drinking Water Board
Anne Erickson, *Chair*
Myron Bateman, *Vice-Chair*
Ken Bassett
Daniel Fleming
Jay Franson, P.E.
Helen Graber, Ph.D.
Paul Hansen, P.E.
Petra Rust
Richard Sprott
David Stevens, Ph.D.
Ron Thompson
Kenneth H. Bousfield, P.E.
Executive Secretary

JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

TELECONFERENCE MEETING

August 2, 2007
3:00 p.m.

Place: 150 North 1950 West
Salt Lake City, Utah 84116

Teleconference Phone # is: 1-866-258-0959

Room # is: *48334001*

***(When the recording asks for the Room #, it will ask you to
press the * before & after the Room #.)***

1. Call to Order – Chairman Erickson
2. Roll Call – Ken Bousfield
3. Introductions – Chairman Erickson
4. Magna Water Company/District
*Request to use \$504,000 of the Repair & Replacement Reserve
Fund for Construction of the WTP and release \$500,000 for
Contingencies*
5. Body Politic Issue - *Where do we go from here?*
6. Next Board Meeting
Date: September 14, 2007
Tour: Jordan Valley WCD Garden Tour - Time: 9:00a.m.
Lunch: Catered at Jordan Valley WCD
Board Meeting: Jordan Valley WCD - Time: 1:00 p.m.
Address: 1100 West 7800 South
West Jordan, Utah
7. Other
8. Adjourn

In compliance with the American Disabilities Act, individuals with special needs (including auxiliary communicative aids and services) should contact Brooke Baker, Office of Human Resources at (801) 536-4412, TDD (801) 536-4424, at least five working days prior to the scheduled meeting.

MAGNA WATER COMPANY (DISTRICT)

The estimated cost of the Magna Water Company water improvement project that will remove Arsenic and Perchlorate from their well water sources and destroy the perchlorate is \$26,142,913. They have \$25,639,160, which is \$503,771* short. And this amount does not include funds for contingencies.

In December 2005 the District closed the \$6,000,000 Federal SRF loan authorized by the Drinking Water Board. Since then the District has received or contributed the following amounts of money.

DWB	\$6,000,000
WQB	5,000,000
Aliantech	4,084,863
WRB	7,100,000
STAG (2)	1,150,200
Magna, STAG match	941,073
Magna, contribution	503,771*
DOD	<u>1,363,000</u>
Total Estimated Cost	\$26,142,913

The District has scheduled a loan closing on August 7, 2007 for the \$12.1M in loans authorized by the Water Quality and Water Resources Boards. These two agencies have requested that the District show that it has the remaining \$503,771, plus contingency funds before closing the loans. In turn the District has asked the Board to allow them to spend \$503,771 from their **“1997 Repair and Replacement Reserve Fund”** (Reserve Fund), plus designate another \$500,000 as a guarantee for contingency expenses. The Reserve Fund has \$1,201,000 as of June 30, 2007.

Staff Recommendation:

1. Authorize the District to spend \$503,771 from their 1997 Repair and Replacement Reserve Fund for construction of the WTP Project. Require that they spend the other funds listed above before they spend these funds.
2. Authorize Magna to designate another \$500,000 as contingency guarantee for the project. Before any of these funds are disbursed for payments on the project, require Magna to show that they have spent other funds that could be used to pay project costs; such as STAG funds, other grants/loans, and interest on construction funds in their PTIF accounts.
3. Require the District to continue making contributions to their Reserve Fund at the rate that they have been contributing to it since bonding for the 1997 project until they have built it up to the level required by the 1997 bond. If they spend more than \$700,000 of Reserve Funds require that they contribute at least \$150,000 per year until it has been built back up.